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[Brazil News \(/index.php/tags/31-brazil-news\)](/index.php/tags/31-brazil-news)[Bolivia \(/index.php/tags/53-bolivia\)](/index.php/tags/53-bolivia)[Ecuador \(/index.php/component/tags/tag/231-ecuador\)](/index.php/component/tags/tag/231-ecuador)[Global Issues \(/index.php/component/tags/tag/711-global-issues\)](/index.php/component/tags/tag/711-global-issues)[Bitcoin \(/index.php/component/tags/tag/1211-bitcoin\)](/index.php/component/tags/tag/1211-bitcoin)[Macroeconomics \(/index.php/component/tags/tag/2168-macroeconomics\)](/index.php/component/tags/tag/2168-macroeconomics)**There are already 11 nations in the world applying strict regulations against cryptocurrency**

On January 12, Brazil became the eleventh country in the world to ban the acquisition of bitcoins and other cryptocurrencies through entities regulated and officially established within the nation, such as banks, stock exchanges or other regulated investment funds.

In a press release, the Securities and Exchange Commission (CVM in Spanish), office that regulates Brazil's capital market, indicated that cryptocurrencies are not catalogued as "financial assets" and therefore its acquisition should not be allowed.

With this statement, Brazil stands as the third Latin American country to ban the legal acquisition of cryptocurrency, after Ecuador and Bolivia. These nations have also decreed bans in this regard. Globally, Bangladesh, China, Iceland, India, Russia, Sweden, Thailand, and Vietnam are the countries that have imposed strict measures against bitcoin as well.

In Brazil's case, the cryptocurrency ban was established aiming to protect users from the risks that involves carrying out transactions of this kind, due to the lack of guarantees and security inherent to bitcoin.

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"The CVM technical area informs the administrators and managers of investment funds, that cryptocurrencies can not be classified as financial assets, for the purposes of the provisions of article 2 of CVM Instruction 555. For this reason, direct acquisition of these virtual currencies it is not allowed by the regulated investment funds", the statement points out.

How does the ban affect users?

Although the legal acquisition of crypto currencies is banned in Brazil, obtaining bitcoins will be still possible. In this way, users who know how to trade cryptocurrencies and wish to do it without any intermediaries, may continue to do so.

Buying bitcoins through globally qualified websites will also remain posible. However, if the regulations of the Latin American giant are strict enough, the country could end up blocking access to these internet sites, making it difficult to buy/sell bitcoins.

If this were to happen, the option that Brazilian citizens would have is to use the help of intermediaries in other countries in order to buy cryptocurrency through them.

Does this measure affect bitcoin's price?

The bitcoin market in Brazil has been growing during the last years. The growing took place specially during 2016, when an evident acceleration posicioned it next to Colombia and Venezuela cryptocurrency trade market. The positioning ranked it as one of the countries in the region with the highest volume of exchanges in bitcoins.

According to experts' explanations in this matter, the restriction imposed by Brazil ccould generate a slight decline in Price. Nevertheless, this is not significant enough to really affect the value of the cryptocurrency.

What it could cause an eventual collapse, which in recent days has been seen, is the global warning about cryptocurrency and the bans applied by different nations and official entities. They alert about a speculative "bubble" that could take the money of all investors away.

Last December, Bitcoin reached its highest point ever seen, reaching almost the 20,000 dollars. To date, the cryptocurrency has fallen more than 50% compared to its highest peak.

LatinAmerican Post | Krishna Jaramillo
Copy edited by Marcela Peñaloza

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TODAY

27, February

TUESDAY

11°C

Partly Cloudy

NW 4 km/h

BOGOTA, COLOMBIA



Humidity	88%
Feels Like	11°C
UV index	0
Visibility	9.7 km
Dew point	8°C
Wind	NW 4 km/h
Sunrise	19:09
Sunset	07:10

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